

Translation and the Internet

Part 1 A Zero-Sum Game?

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Now that even the low end of the language services industry is beginning to wake up to the existence of the Internet, there appears to be some form of unwritten understanding that there are serious benefits to the industry and its players - from leading-edge translation and localization companies down to isolated workaholic freelancers - to be derived from "joining" the Internet and actively using the facilities it can or could provide. But exactly what are these benefits if, indeed, they exist at all? What is the basis for what must surely be a purely business-driven decision to invest the time and money needed to achieve effective online status? Or is it, in fact, the status element that is uppermost in peoples' minds?

When researching this article, I came across "Vision of the Translation Market: An outline of the necessary reforms in Europe's language industry" by Jaap van der Meer in the LISA Forum Newsletter, Vol. III December 1994. He believes, amongst other things, that "Translation will become an online information service ... offered by phone companies and network operators ..." and that "The translation market seems to be the ideal area for testing all the benefits of the 'super electronic highway'" He lists the ways in which he sees that translation service providers and their customers can benefit from the global information architecture. In the main, his very upbeat view is that these centre around issues of time-to-market, speed of data transport and streamlining of the translation process chain. These are important considerations, but what about the potential threats to language service providers? How will they survive and grow - or not - in this rapidly shifting environment?

The first part of this two-part article aims to examine some of the wider issues involved from a business- and market-oriented perspective. Part 2, which will appear in a subsequent issue of the LISA Forum Newsletter, will analyze some of the solutions currently offered or under development.

Time-to-market

Most high-end industry players will agree that together with online research and language resource downloading facilities, enhanced time-to-market is one of the more immediate benefits of Internetworked translation and localization management. There has been no sudden explosion in this area, but rather a gradual development over a number of years, shadowing the growth in commercial services such as CompuServe and the more widespread use of distributed groupware products such as Lotus Notes (plus the

increasing ability of many language service providers to master such arcane skills as 7-bit/8-bit conversion software).

The benefits of rapid, reliable data transport across long distances are by now well established. Many high-end translation and localization managers are already exploiting these facilities to assemble flexible, just-in-time solutions in response to growing customer requirements that treat translation and localization as integrated components of an overall product development process, involving defined process quality standards and tight schedules. One particularly attractive variant concerns "asynchronous" translation, exploiting time-zone (and often pricing) differences, normally between continents, to gain "additional" time for a project.

A consequence of this is that online access - as opposed to merely having a modem for point-to-point transmission - and the skills to make the best possible use of online services and technical facilities are rapidly becoming the *entry-level threshold* for even short-term market competitiveness. This is, of course, part of a more general requirement for advanced computer literacy and the use of tools for automating or assisting the translation process. Service providers unwilling to make the necessary investments in equipment and training will very shortly find themselves squeezed out of many sectors, with correspondingly harsher competition in a dwindling number of areas where online access is not viewed as a prerequisite.

The product, not the producers

One of the clearest trends resulting from the growing automation of translation processes, coupled with the exploitation of Internet facilities by both vendors and users, is a shift away from viewing translation as an intellectual process dominated by individual translators, and towards a view driven more by such aspects as process repeatability, greater elimination of human error and process streamlining.

The Internet did not create this situation, but it has certainly accelerated the pace of change. The ramifications for individual translators and service vendors are clear. There is already a process of "demystifying" the translation process, with a greater emphasis on translation as an impersonal deadline- and quality-driven business service, rather than an "art-form". The drive towards internationally accepted quality standards, typified by the LISA QA Model and the draft DIN translation process quality standard, is reinforcing this trend. Almost inevitably, perhaps, this shift away from viewing translators as "keepers of the holy grail" has also triggered off a "counter-reformation", including proposals for such unworkable models as the global *content-quality* (as opposed to process-quality) certification of individual translators, or the establishment of closed-shops for "qualified" translators. The proponents of such schemes would do well to remember that in mature economies, cartels and interventionist strategies only serve to prolong the death agony of moribund industries. They may also represent unacceptable restraints on cross-border trade.

Prices and practices

Margins will be squeezed as competitors from lower-wage economies start competing in the "virtual marketplace" in national economies, with corresponding pressures on cash flow and business survival. This is already emerging as a particularly painful process in traditionally high-wage economies such as Germany, where the established heterogeneous price structures are already being levelled out by competition within the economy. The impact of serious external competition has still to be felt in this particular market, but aggressive pricing policies have already risen to a level where any external influences are bound to have a dramatic effect on the way in which customers perceive price/performance benefits.

Moreover, the globalization of the language services market will also see convergence in working practices and terms and conditions. The equation is really quite simple: if proven supplier A in country X and proven supplier B in country Y both offer similar prices and quality, the contract will probably go to the supplier able to offer the shortest deadline and/or the most attractive payment terms. Of course other factors may play a role, but on the whole, the future will very likely see service providers in more "wealthy" economies having to work longer hours for tighter cash flows. This assumes that in theory, translation automation will take effect at an equal pace in different economies. However, if service providers in higher-earnings economies are able to invest in automation at an earlier stage, they may be able to maintain a productivity advantage for a longer period.

Anonymity no barrier

Traditionally, many customers were driven by a perceived need to be able to "see" their translation service providers. Geographical proximity on the part of the service provider was regarded as desirable, as was the ability to meet customers on their premises. Many freelancers and small TCs are still clustered around sector-dominated regions in the same way that many larger localization companies have migrated to the software development belts. This situation will not change overnight, and is subject to culture-specific factors in the various countries. However, the growing ability of translation and localization managers to select suppliers from anywhere on the globe is seeing a gradual shift away from "local" service suppliers to a more global view dominated, once again, by deadlines, quality and cost. As a major factor in service provider choice, the geographical location of the service provider is diminishing at the same time as the ability of the service provider to guarantee JIT translations/localizations, within an institutionalized quality management framework, is coming to dominate the supplier relationship. Increasingly powerful (and reasonably priced) telecommunications services such as teleconferencing and real-time, distributed cooperative working environments and extended workbench concepts will help eliminate any residual psychological barrier to working with service providers whom the customer has never actually "met".

No knowledge, no future

At the same time, another factor coming to the fore is threatening the survival of a large number of freelances and agencies: specialization. Here too, the general impact of the Internet is making itself felt. The wealth of information available on the Net to both service providers and their customers, and the rate at which the availability of this information is increasing, means that the domain-specific *knowledge threshold* is rising steadily. The increasing subject-area complexity of applications to be localized and texts to be translated is placing great strains on individual translators in the fight to keep up-to-date. Traditionally, many freelances have tended to be "generalists", able to cover a relatively large number of subject areas with only a modicum of specialist knowledge. In the same way, many agencies have advertised their claim to cover "all subject areas in all languages". Now, however, the goalposts are shifting. Translators and localizers need a substantially higher level of subject-area knowledge, plus the skills to be able to acquire new knowledge very quickly in order to meet the tighter delivery schedules demanded by their customers. Many market players will be unable to meet this challenge, and their chances of survival, even in the medium term, are slim. Coupled with the emergence of industry-standard quality processes, they will be killed off - or forced to radically realign their business practices and accept a slump in profits - by their inability to demonstrate in-depth knowledge and proven competence in no more than a few related core subject areas.

This is also one of the factors frequently ignored in those countries where classically oriented university-level translator training is an established component of the language services sector. Instead of training subject area specialists in translation skills, or combining tertiary education in the subject area with (concurrent) translator training, many universities and colleges are awarding degrees to young people with a modicum of low-level translation experience, often a well-grounded knowledge of translation theory, but inadequate knowledge of the subject areas they are supposed to translate (quite apart from the fact that few of them are sufficiently computer-literate).

Winners and losers

In practice, competition in a free market is never a perfect zero-sum game in absolute terms, as market mechanisms may encourage collaboration as much as competition. However, this does not mean that there will be no clear winners and no clear losers from the developments outlined above, and I am convinced that the impact of the Internet - in all its forms - on the language services industry will result in a serious shake-up of our sector and - over time - a not insignificant casualty rate.

The first clear casualties will be the generalist freelances and self-styled "universal" agencies referred to above, as well as new market entrants unable to offer the required specialist knowledge. In addition, established specialist service providers who are unable - or unwilling - to invest in the technical facilities and skills required to exploit the business opportunities offered by the online commercial environment (and demanded by their customers) will be faced with shrinking market shares and operating profits.

At the same time, I believe that the existing process of concentration in the language services sector will continue, with both national and international mergers and acquisitions amongst established service suppliers resulting in an ever diminishing number of larger companies dominating the full-service/one-stop-shopping end of the market. This does not mean, however, that the smaller businesses will necessarily lose out. Although many freelancers are already trying to establish loose networks (Part 2 will discuss the pros and cons of this move in greater detail), I think the number of survivor freelancers will also drop, as they will tend to come together to form partnerships and registered companies, including virtual or multiple-site companies (even, in some instances, "multinational" SMEs!).

These and existing companies will also form strategic partnerships, again often on a cross-border basis, to exploit synergies and provide a "common front" for complementary activities, in effect turning a zero-sum game into a "positive-sum" game. Often concentrating on specialty niche markets, they will be in a position to offer a degree of price/performance flexibility which even the one-stop global service providers will be unable to match.

Finally, a look at what is happening to the scenario envisaged by Jaap van der Meer over year ago, with translation services offered online by telcos and network operators, a line he repeats in his article in the November 1995 issue of the LISA Forum Newsletter. There is no doubt that some telcos are certainly *interested* in the language services sector: the AT&T model cited in the above article, for instance, or Deutsche Telekom, which has invested a relatively large sum in the technical infrastructure for a distributed language services network in Germany. But in Europe at least, there are few signs of these organizations moving onto the market themselves as *service providers*, as opposed to carriers for independent and/or allied contents providers.

A claim which is frequently encountered is that telcos will naturally gravitate to contents provision to exploit alleged synergies and increase network capacity utilization. However, this will only be an attractive option if the telco can also bring with it the sector-related expertise and experience necessary to achieve substantial inroads into the market. In the case of the language services market, the broad-ranging skills of existing market operators - taken as a whole - are still sufficiently strong to satisfy existing demand in most areas. In other words, this option is less attractive for a telco if there are established market structures which are quite simply better at doing the job in question. This means that the path of least resistance for a telco wishing to add language services to its offering would be to acquire or establish strategic partnerships with those language service enterprises which it could most easily integrate into its plans.

So far, at least, there is little evidence that telcos are pursuing this strategy, although network operators, such as CompuServe, Europe Online and Lingo, are actively implementing such schemes. This applies both to human translation and to automated/semi-automated translation processes.

The market knows best ...

My views on the shape of things to come should not be seen in too pessimistic a light. Many LISA members, in particular the software publishers and larger localization vendors, have no doubt already mapped out strategies for exploiting the full potential of the Internet and its future developments. However, they should also bear in mind firstly that they are dependent - to a greater or lesser extent - on the services provided by smaller companies and individuals, many of whom are now working hard to keep pace with their larger partners endowed with much greater resources, and secondly that collaborative efforts will produce much greater benefits in the long term to all concerned.